THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Federation of Indian Chambers of commerce and Industry (FICC) had prepared a background paper for their workshop on "Towards Capital Account Convertibility—2000 AD—held on July 11, 1997 at New Delhi. In this paper one of the suggestions was as follows:—

"Financial sector needs to be strengthened and prudential norms of accounting and transparency should be put in place. The skills of financial professionals especially in the financial services and banking sector need to be upgraded so that they are able to face the new environment. The laws must be changed to allow new instruments such as futures forwards and securitised debt so that economic agents can hedge risks. This will harmonise our hedging instruments with global ones."

(c) Reform in the financial sector in India is a continuing process and every worthwhile suggestion constitutes an input in that process. Considerable progress has been made in the matter of prudential norms of accounting and transparancy.

Excise duty evasion by Golden Tobacco company

2248. SHRIMATI JAYAPARADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether the Golden Tobacco Company has evaded excise duty of hundreds of crores;

(b) the facts of the case;

(c) whether officials of the Central Excise and Customs Department have been found to be involved in conniving with the company; and

(d) the action taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) A case of central excise duty evasion has been detected against M/s Shree Chandra Tobacco Ltd., a franchise unit of M/s Golden Tobacco Company Ltd. during the search operation in February, 1996. Based on the investigations carried out by the Directorate General of Anti-Evasion, a show cause notice has been issued in August, 1996 to M/s. Shree Chandra Tobacco Ltd. and M/s. Golden Tabocco Company Ltd. for alleged evasion of central excise duty of Rs. 18.76 crores. In addition, cases of evasion of central excise duty have been detected against M/s Golden Tobacco Company Ltd. and their frenchise units during 1995 and show cause notices demanding central excise duty of Rs. 364.86 crores were issued to these units.

(c) and (d) One Assistant Commissioner, 19 Superintendants and 25 Inspectors have been placed under suspension for their suspected connivance with the said Company.

Setting up of Air Intelligence Unit

2249. SMT. JAYAPRADA NAHATA:

DR. ALLADI P. RAJKUMAR:

DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to set up an Air Intelligence Unit;

(b) if so, the airports to be checked against smuggling and other illegal activities; and

(c) other steps proposed to check against economic offences which are on the rise in the country?